USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 11/14/2006

GAIN Report Number: MO6016

Morocco

Citrus

Annual

2006

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Report Highlights:
At about 1.2 MMT Morocco's citrus production is forecast at about the same level as last year but exports are expected to be slightly higher. Morocco exports continue to be overwhelmingly concentrated on Europe.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Rabat [MO1]
[MO]

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Executive Summary

Morocco citrus production is expected to be at the same level as last year but exports of fresh citrus are forecast to increase compared to last year. According to the industry, higher fruit quality this year is likely to result in more fruit being exportable to the EU. Production forecast figures are issued by the Moroccan Citrus Producers' Association (ASPAM) and exports forecast are published by the EACCE (Export Quality Control Office). Both forecast are to be taken as subjective indications that can be revised significantly (especially for the late orange varieties such as Maroc Late) depending on the weather and market conditions that prevail during the winter and early spring.

	Production (Metric Tons)		Exports (Metric Tons)	
	2005/2006	2006/2007	2005/2006	2006/2007
	Rev.	Forec.	Rev.	Forec.
Small Citrus Fruit				
Clementines	333,500	330,000	190,194	205,000
Nour	72,500	94,000	48,159	68,700
Ortanique	17,700	14,500	10,729	9,540
Nova	13,500	15,500	3,780	7,200
NadorCott	15,000	16,300	9,922	11,150
Fortune	1,000	500	24	40
Other Small	850	7,800	488	4,100
Total Small Citrus	454,050	478,600	263,296	305,730
Oranges				
Navel	227,000	210,000	20,167	31,000
Navel Lane Late	10,000	10,000	3,138	4,400
Salutiana	45,500	46,500	29,532	30,800
Sanguine	61,200	60,500	38,455	39,580
Maroc Late	440,000	412,500	187,533	210,000
Total Oranges	783,700	739,500	278,825	315,780
Other Citrus	27,500	28,000	489	660
TOTAL CITRUS	1,265,250	1,246,100	542,610	622,170

Source: EACCE/ASPAM

There are still no signs that the Moroccan citrus production is going to increase significantly in the short and medium terms in spite of the government and producers' organizations ambitious plans to expand planted area, convert to new varieties, and replace old orchards. Souss producers face serious water shortages that increase their cost of production considerably. In the Gharb area (vicinity of Kenitra), orchards are old with no significant replanting being carried out by farmers. So, although, there might be an increase in planting in some years, the average yearly planting over a long period has been below what was initially agreed upon as the minimum to maintain adequate growth of citrus production. Eventually, the low planting suggests that Morocco might be unable to even fulfill the increasing local demand for some varieties of citrus in the long run. In fact, in recent years, clementine and orange prices increased significantly in the local market and caused the closing of the sole Moroccan citrus concentrate producer because of the lack of adequate fruit supply.

Recently the government leased some 127,403 acres from the previously state managed land (SODEA/SOGETA) to the private sector. About one fifth of this land has been devoted to citrus and accounted roughly for about 10 percent of Morocco’s fresh citrus production and exports. If the new lease holders live up to their commitment and succeed in renewing the citrus orchards then the production might at best level off.

Similarly to the med-fly eradication programs carried out by other neighboring citrus producing countries (notably Spain), the Moroccan Association of Citrus Producers with the assistance of the Ministry of Agriculture are scheduled to start a med-fly eradication program in early 2007 that will presumably reduce significantly the number of treatments required against the med-fly. Sources indicated that this program is financed at 80 percent by the citrus producers and 20 percent by the Ministry of Agriculture. The three-year program is expected to be launched in the Souss area (vicinity of Agadir and Taroudent) and if successful could be expanded to the Moulouya area (vicinity of Berkane). Success of such a program will depend heavily on the commitment of the industry to provide long term financing for the program.

Trade

Moroccan citrus exports continue to be overwhelmingly concentrated on the EU and Russian market. Competition from Egypt has been brought up on many occasions by the local citrus industry and is likely to continue to affect Morocco’s exports in the future especially to the EU. The Russian market tends to be less demanding on quality and thus competes directly with the local fresh market. The traditional EU countries (taken as a group) will continue to be the main outlet for Morocco in spite of the downward trend over the past few years because of the emphasis on the Russian market. The proximity of the EU market, the high prices paid by European consumers, and more importantly, the preferential access given to Moroccan citrus under the Morocco-EU free trade agreement (see MO0028) are appealing to Moroccan exporting groups. The non- EU markets, commonly known in Morocco as "contract markets", including Russia, Saudi Arabia, and Canada account each year for over a third of Morocco’s fresh citrus exports. For these markets, each year, arrangements are made between importers and Moroccan exporters to ship agreed-upon quantities and quality of fruit.

Exports to the United States

It is unlikely that exports to the United States will increase dramatically in a normal year because of the mitigation measures required by APHIS. Morocco’s citrus must be cold treated in order to be shipped to United States to reduce the risk of med-fly infestation. Very few exporting groups have clearly set the United States as a strategic market and most continue to focus on the traditional European market. In addition, since Morocco’s production is not likely to show significant increase in the near future, exports to the United States should remain limited.

Long-term prospects for fresh citrus exports are grim: Local production can hardly keep up with the increasing demand from both export and local markets. In recent years, Morocco has not always been able to fill the duty-free quota granted by the EU for clementines (168,000 MT) and oranges (326,000 MT). Prices in the local market have reached a level so that many farmers see a benefit in selling to the local market and avoid risks and delays in payment when exporting. Also, the decline in the EU share in Morocco's agricultural exports indicate that some exporting groups have more difficulties to comply with increasingly complex EU industry standards and requirements. This explains partly why more emphasis has been given in recent years to exporting to less stringent non-EU countries. The Eastern-European markets in particular (Russia) have been generally buying lower quality, cheaper fruit that would be less suitable for the EU market.

Today, there are no Moroccan standards for organic products and exports of organic citrus (as controlled and certified by European firms) did not exceed 1,000 MT last year.

Processed Citrus

Since FRUMAT, the sole concentrate producer in Morocco, went bankrupted last year, Morocco became a net importer of citrus juice and concentrate (from South America) and is likely to remain so in the future. Today, there are three single strength juice manufacturing plants in Morocco that are hardly able to meet the local demand for consumer oriented single strength juice and, given the prices of the fresh citrus in the local market, the local citrus processors will continue to face strong competition from the imported juices.

PSD Table										
Country	Morocco									
Commodity	Tangerines, Fresh				(HECTARES)(1000 TREES)(1000 MT)					
	2004	Revised		2005	Estimate		2006	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2004	10/2004		10/2005	10/2005		10/2006	10/2006	MM/YYYY
Area Planted	25	25	25	25	25	25	0	0	25	(HECTARES)
Area Harvested	23	23	23	23	23	23	0	0	23	(HECTARES)
Bearing Trees	6900	6900	6900	6900	6900	6900	0	0	6900	(1000 TREES)
Non-Bearing Trees	600	600	600	600	600	600	0	0	600	(1000 TREES)
Total No. Of Trees	7500	7500	7500	7500	7500	7500	0	0	7500	(1000 TREES)
Production	443	443	443	425	425	454	0	0	479	(1000 MT)
Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	443	443	443	425	425	454	0	0	479	(1000 MT)
Exports, Fresh	253	253	253	255	255	263	0	0	305	(1000 MT)
Fresh Dom. Consumption	190	190	190	170	170	191	0	0	174	(1000 MT)
For Processing	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	443	443	443	425	425	454	0	0	479	(1000 MT)

Export Trade Matrix			
Country	Morocco		
Commodity	Tangerines, Fresh		
Time Period	Mkting Year	Units:	MT
Exports for:	2005		**2006**
U.S.	4046	U.S.	
Others		Others	
Russia	112894		
Canada	34482		
Holland	33091		
France	26158		
Lithuania	15921		
United Kingdom	15333		
Sweden	6607		
Saudi Arabia	3172		
Finland	3150		
Poland	2873		
Total for Others	253681		0
Others not Listed	5569		
Grand Total	263296		0

PSD Table										
Country	**Morocco**									
Commodity	**Oranges, Fresh**					(HECTARES)(1000 TREES)(1000 MT)				
	2004	Revised		2005	Estimate		2006	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2004	10/2004		10/2005	10/2005		10/2006	10/2006	MM/YYYY
Area Planted	51	51	51	51	51	51	0	0	51	(HECTARES)
Area Harvested	49	49	49	49	49	49	0	0	49	(HECTARES)
Bearing Trees	15402	15402	15402	15400	15400	15400	0	0	15400	(1000 TREES)
Non-Bearing Trees	300	300	300	300	300	300	0	0	300	(1000 TREES)
Total No. Of Trees	15702	15702	15702	15700	15700	15700	0	0	15700	(1000 TREES)
Production	813	813	813	810	810	784	0	0	740	(1000 MT)
Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	813	813	813	810	810	784	0	0	740	(1000 MT)
Exports, Fresh	237	237	237	350	350	279	0	0	316	(1000 MT)
Fresh Dom. Consumption	570	570	570	454	454	499	0	0	418	(1000 MT)
For Processing	6	6	6	6	6	6	0	0	6	(1000 MT)
Total Distribution	813	813	813	810	810	784	0	0	740	(1000 MT)

Export Trade Matrix			
Country	Morocco		
Commodity	Oranges, Fresh		
Time Period	Mkting Year	Units:	
Exports for:	2005		**2006**
U.S.		U.S.	
Others		Others	
Russia	122556		
Netherlands	76129		
Great Britain	36521		
France	18657		
Sweden	6457		
Germany	4779		
Canada	3529		
Finland	2712		
Lithuania	2250		
Senegal	1391		
Total for Others	274981		0
Others not Listed	3844		
Grand Total	278825		0

PSD Table									
Country	Morocco								
Commodity	Citrus, Other, Fresh				(HECTARES)(1000 TREES)(1000 MT)				
	2004	Revised		2005	Estimate		2006	Forecast	UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2004	10/2004		10/2005	10/2005		10/2006	10/2006	MM/YYYY
Area Planted	5	5	5	5	5	5	0	0	5	(HECTARES)
Area Harvested	5	5	5	5	5	5	0	0	5	(HECTARES)
Bearing Trees	1500	1500	1500	1500	1500	1500	0	0	1500	(1000 TREES)
Non-Bearing Trees	15	15	15	15	15	15	0	0	15	(1000 TREES)
Total No. Of Trees	1515	1515	1515	1515	1515	1515	0	0	1515	(1000 TREES)
Production	10	10	10	10	10	10	0	0	10	(1000 MT)
Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	10	10	10	10	10	10	0	0	10	(1000 MT)
Exports, Fresh	0	0	0	0	0	0	0	0	0	(1000 MT)
Fresh Dom. Consumption	10	10	10	10	10	10	0	0	10	(1000 MT)
For Processing	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	10	10	10	10	10	10	0	0	10	(1000 MT)

PSD Table									
Country	Morocco								
Commodity	Lemons, Fresh			(HECTARES)(1000 TREES)(1000 MT)					
	2004	Revised		2005	Estimate		2006	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2004	10/2004		10/2005	10/2005		10/2006	10/2006	MM/YYYY
Area Planted	1	1	1	1	1	1	0	0	1	(HECTARES)
Area Harvested	1	1	1	1	1	1	0	0	1	(HECTARES)
Bearing Trees	280	280	280	280	280	280	0	0	280	(1000 TREES)
Non-Bearing Trees	10	10	10	10	10	10	0	0	10	(1000 TREES)
Total No. Of Trees	290	290	290	290	290	290	0	0	290	(1000 TREES)
Production	25	25	25	25	25	25	0	0	25	(1000 MT)
Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	25	25	25	25	25	25	0	0	25	(1000 MT)
Exports, Fresh	0	0	0	0	0	0	0	0	0	(1000 MT)

Fresh Dom. Consumption	25	25	25	25	25	25	0	0	25	(1000 MT)
For Processing	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	25	25	25	25	25	25	0	0	25	(1000 MT)

PSD Table										
Country	**Morocco**	65 Degrees Brix								
Commodity	**Orange Juice**						(MT)			
	2004	Revised		2005	Estimate		2006	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2004	10/2004		10/2005	10/2005		10/2006	10/2006	MM/YYYY
Deliv. To Processors	6000	6000	6000	6000	6000	6000	0	0	6000	(MT)
Beginning Stocks	500	500	500	0	0	0	0	0	0	(MT)
Production	600	600	600	600	600	600	0	0	600	(MT)
Imports	1400	1400	1400	1700	1700	1700	0	0	1700	(MT)
Total Supply	2500	2500	2500	2300	2300	2300	0	0	2300	(MT)
Exports	5	5	5	0	0	0	0	0	0	(MT)
Domestic Consumption	2495	2495	2495	2300	2300	2300	0	0	2300	(MT)
Ending Stocks	0	0	0	0	0	0	0	0	0	(MT)
Total Distribution	2500	2500	2500	2300	2300	2300	0	0	2300	(MT)